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Preparations for the Conference: briefings and presentations

Report of the regional-level preparatory review meeting for Europe and Asia

Summary

The regional-level preparatory review meeting for Europe and Asia was held in Vientiane from 5 to 7 March 2013 as part of the preparatory process for the Second United Nations Conference on the Landlocked Developing Countries that will be held in Vienna in November 2014, pursuant to General Assembly resolutions 66/214 and 67/222. The present report provides a detailed account of the meeting and its outcome document, entitled "the Vientiane Consensus". The Economic and Social Commission for Asia and the Pacific, at its sixty-ninth session, took note of the Vientiane Consensus (E/ESCAP 69/1, annex).

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I. Introduction

1. Landlocked developing countries face serious constraints in their economic development because of the lack of territorial access to sea, remoteness and isolation from world markets and high transport costs. Their international trade and transport depends on cross-border and transit transport over land, which is hampered by numerous physical and non-physical barriers. As a result, the landlocked developing countries are disadvantaged in terms of fully utilizing trade for their development.

2. The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty in August 2003, adopted the Almaty Programme of Action to address the special needs and challenges faced by landlocked developing countries in achieving their development goals and set out actions to be taken by those countries as well as transit developing countries and development partners in five priority areas: fundamental transit policy issues; infrastructure development and maintenance; international trade and trade facilitation; international support measures; and implementation and review.

3. In its resolution 66/214, the General Assembly decided to hold a comprehensive 10-year review conference on the implementation of the Almaty Programme of Action in 2014. The Assembly also decided that the Conference should be preceded by regional and global as well as thematic preparations in the most effective, well-structured and broad participatory manner. The Assembly designated the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States as the United Nations system-wide focal point for the preparatory review process, and noted that United Nations system organizations, including the regional commissions, should, within their respective mandates, provide the necessary support and actively contribute to the preparatory review process and the conference itself.

4. In its resolution 67/1, the Economic and Social Commission for Asia and the Pacific (ESCAP) requested the Executive Secretary to provide, in collaboration with relevant organizations, necessary assistance to the landlocked developing countries in the region during the final regional review of the Almaty Programme of Action.

5. In this context, ESCAP and the Economic Commission for Europe (ECE), in collaboration with the Office of the High Representative and the Government of the Lao People's Democratic Republic, organized a regional preparatory meeting to review the Almaty Programme of Action, which was held in Vientiane from 5 to 7 March 2013. The Vientiane Consensus was adopted and the Government of the Lao People's Democratic Republic, as the global Chair of the Group of Landlocked Developing Countries, was requested to transmit it to ESCAP at its sixty-ninth session for endorsement as the regional input to the global review.

II. Attendance

6. The meeting was attended by some 120 participants, including ministers and senior government officials and other stakeholders from 26 countries, namely, Afghanistan, Armenia, Australia, Azerbaijan, Bangladesh, Bhutan, Cambodia,

China, France, Georgia, India, Indonesia, Japan, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia, Nepal, Poland, the Russian Federation, Serbia, Tajikistan, Thailand, Turkmenistan, the United Kingdom of Great Britain and Northern Ireland and Viet Nam, as well as representatives of the United Nations system, international and regional organizations, development partners, civil society organizations and the private sector from Europe and Asia. The meeting expressed its deep appreciation to the Government of the Lao People's Democratic Republic for hosting the final regional review conference and to ESCAP, ECE and the Office of the High Representative for organizing the event.

III. Review of progress and challenges

7. The meeting participants expressed satisfaction that significant progress had been achieved by the landlocked developing countries and transit developing countries in implementing the Almaty Programme of Action with the support of ESCAP, ECE, the Office of the High Representative, relevant international and regional organizations and other development partners.

8. While acknowledging the progress made, they recognized the high structural vulnerability of the landlocked developing countries in the context of recent global developments. The modest economic growth achieved during the past decade has recently come under increasing threat by successive global crises in the areas of food, fuel and finance. As a result, most landlocked developing countries were falling short of various social targets, including the Millennium Development Goals. Many of them are severely affected by natural disasters and climate change. Moreover, they continue to be marginalized with respect to the international trading system.

9. Participants also recognized the continuing and emerging challenges faced by the landlocked developing countries vis-à-vis integration with the global economy and the need to expedite and strengthen the process of implementation of the Almaty Programme of Action. They echoed the outcome of the 2012 United Nations Conference on Sustainable Development, entitled "The future we want" (General Assembly resolution 66/288, annex), in which the serious constraints that the landlocked developing countries face in achieving sustainable development were recognized. In that context, the importance of reflecting the perspectives of the landlocked developing countries in developing the sustainable development goals was underlined.

10. The participants observed that the landlocked developing countries in Europe and Asia had witnessed significant fluctuations in economic growth and export performance in recent years owing mainly to the global economic crisis and the effects of sluggish growth in advanced countries. Despite notable, though uneven, progress made since 2003, those countries remained marginalized in global trade, with the share of their exports in world trade remaining at about 0.8 per cent for merchandise trade and 0.5 per cent for services trade in 2012. They had thus been prevented from reaping the benefits of globalization and using trade as an instrument for achieving their development objectives.

11. It was agreed that the landlocked developing countries needed to exploit the potential for regional economic integration arising out of increased intraregional trade and intraregional foreign direct investment and improved connectivity through

transport, energy and information and communications technology (ICT) networks. The landlocked developing countries had yet to fully leverage the regional preferential and plurilateral trading arrangements for harnessing complementarities, not only within the subregion but also across subregions in critical areas, such as energy security, transport development and trade facilitation so as to promote more inclusive growth and sustainable development. Some landlocked developing countries that were in the process of accession to the World Trade Organization (WTO) also needed to expedite their efforts.

12. It was noted that, despite variations in socioeconomic performance, the European and Asian landlocked developing countries were home to a large number of underprivileged people. Overall, the pace of development of those countries has been slow, indicating an urgent need to adopt more effective measures in a more inclusive and sustainable manner. The observation was made that most of those countries were rich in natural, mineral and human resources, which needed to be harnessed more effectively if they were to attain their development objectives.

13. In the external sector, the landlocked developing countries show relatively high trade openness but the absolute trade value is low compared with the potential because of large deficits in infrastructural facilities, trade barriers and insufficient technological capacities. Exports are characterized by a high concentration of a few commodities, reflecting poor productive capacities.

14. The indicators related to health, education and social development suggest that most of the countries have achieved relatively high levels of development, although the absolute number of people deprived is still quite high. It was noted that the development indicators suggested tremendous scope for improving macroeconomic management, pursuing more prudent policies for greater integration of trade and foreign direct investment and investing in improved connectivity. Another important area for the landlocked developing countries is investment in the skills of workers so that they can have better access to well-paid activities in the region and beyond.

15. It was observed that, since the adoption of the Almaty Programme of Action, landlocked and transit developing countries had made substantial progress in transport infrastructure development and maintenance. Many sections of the Asian Highway Network in the landlocked developing countries and their neighbouring transit developing countries have been upgraded to higher standards, and several missing links in the Trans-Asian Railway Network have been constructed.

16. Landlocked developing countries and transit countries have implemented or initiated many transport facilitation initiatives, including one-stop border posts, single-window processing, harmonized road transit charges and road customs transit declaration documents, third-party motor vehicle insurance schemes, reduction of roadblocks, the international road transport (TIR) system and increased use of electronic systems for customs clearance, making it easier for landlocked developing countries to use the roads and ports of neighbouring countries.

17. The meeting participants agreed that the priority areas, as identified in the Almaty Programme of Action, could provide useful anchors around which unmet goals and targets could be set, keeping national development policies and strategies in view, and that actions could be taken individually and jointly by landlocked developing countries and their development partners. It was also recognized that expected outcomes in each priority area could be further enhanced through genuine

partnerships between landlocked and transit developing countries and their development partners at the bilateral, subregional, regional and global levels, including partnerships between the public and private sectors. Moreover, such partnerships needed to be based on the equitable sharing of benefits derived from specific actions among the concerned countries, transit developing countries and their development partners.

18. The participants noted that the European and Asian landlocked developing countries were characterized by important differences with respect to the composition and destination of exports. Some export mainly natural resources and manufactured goods and others services, while for some the focus is primary commodities. Another important area for the landlocked developing countries is liberalizing their workers' access to productive activities in other economies inside and outside the region.

19. The participants observed that the policies of the landlocked developing countries needed to be oriented towards stimulating productive investment, building technological capacities and strengthening linkages within and across sectors and between different enterprises. For increasing productive capacities and moving up the value chain, the landlocked developing countries needed to undertake such measures as strengthening national capacity to analyse competitive potential at the product and subsector level, establishing the quality and conformity assessment infrastructure required to increase exports, working in productive sectors with high export potential to upgrade product and production quality and comply with standards and regulations so that enterprises can export successfully and developing troubleshooting mechanisms in cases where export products encounter technical barriers.

20. It was noted that cross-border and transit transport for the landlocked developing countries was extremely difficult owing to poor infrastructure facilities and numerous constraints to movement and to crossing borders. Such physical and non-physical barriers caused high transport costs, inordinate delays in the transport process, including crossing borders, and uncertainty in logistics services and supply chain management. Those challenges significantly reduced the competitiveness of the landlocked developing countries in the world markets and discouraged the flow of foreign direct investment. It was recognized that close cooperation between the landlocked developing countries and their transit country partners was necessary to facilitate the development of transport infrastructure connections and operational connectivity.

IV. Persistent, new and emerging issues facing the landlocked developing countries

21. It was observed that the landlocked developing countries continued to face several persistent and emerging challenges, which highlighted the need for both domestic policy reform and changes in the global environment to make it conducive to more equitable, inclusive and sustained growth and development. The participants identified the following key development challenges that the landlocked developing countries faced in moving forward:

(a) Addressing internal and external vulnerabilities;

(b) Creating favourable market access;

(c) Promoting employment-intensive and inclusive growth, alleviating poverty and reducing economic and social disparities;

(d) Building productive capacities and diversifying the export base;

(e) Establishing efficient transit systems, reducing trade transaction costs and improving competitiveness;

(f) Addressing the consequences of climate change.

22. If not addressed adequately and in a timely manner, those challenges can erode many of the development gains of the past decade. In order to ensure equitable, inclusive and sustainable development, a priority is to build the resilience of the landlocked developing countries to withstand such persistent challenges as well as emerging ones.

23. European and Asian landlocked developing countries are also vulnerable to emerging challenges related to natural disasters, food security, energy security and water management. Natural disasters that threaten them include droughts, storms, glacier lake outburst floods, extremes of temperature and cold and heat waves, and wet and dry mass movements.

24. The participants noted that the landlocked developing countries have been taking measures to adapt to climate change consequences. These include integrated management of water resources, the construction of infrastructure for the storage of surface water and groundwater, watershed development, rainwater harvesting, water conservation and community-based initiatives to integrate land, including grassland, and water management. The landlocked developing countries have developed national programmes of action as a means of identifying medium- and long-term adaptation needs and implementing strategies and programmes to address them. Building on this process, several countries are working towards integrating climate change adaptation into national planning. In addition, the countries have been identifying appropriate institutional, legal and governance responses for adaptation.

25. In order to build resilience, the landlocked developing countries emphasize creating awareness and understanding of the ways to cope with the risks and vulnerabilities associated with climate change. At the regional level, the landlocked developing countries should pursue a number of measures and use policy tools with a view to: (a) closing the gap between economic and ecological efficiencies; (b) planning and designing eco-efficient infrastructure; (c) securing the transfer of appropriate technologies; and (d) formulating and implementing low-carbon development strategies. More specific measures are needed in this regard to strengthen capacity-building in cross-sectorial initiatives, such as the Green Bridge Partnership Programme.

26. The participants emphasized the need for bringing about further qualitative changes in the pattern of growth so that the benefits of growth permeate all sections of society. In that context, the nexus between economic growth and poverty reduction needs to be strengthened through the creation of increased decent and productive employment opportunities for the poor.

27. It was observed that the fragmented approach to cross-border facilitation and transit transport had been less than optimal for removing non-physical barriers. While there had been some progress, it had been slower than anticipated, as some of the facilitation efforts had been made in relative isolation, leading to fragmented results. As a result, trade transaction costs remained high, limiting the ability of the landlocked developing countries to successfully harness trade as an instrument of their development. The regional common frameworks and the existing United Nations conventions and agreements could be used as guideposts for each of the issues identified, thereby ensuring that the facilitation efforts of countries converged over the long term.

V. Way forward

Development of fundamental transit transport policy

28. The participants emphasized the need to create comprehensive transit policies in the landlocked and transit developing countries in order to establish efficient transit transport systems. They noted that while significant progress had been made in some countries in that regard, fundamental transit policy needed to be developed further in the countries that had not yet done so.

29. It was suggested that the landlocked and transit developing countries review the challenges they faced in transit transport and propose policy measures to address them. Such measures could include, for example, transport strategies and programmes, plans for transforming themselves from landlocked to land-linked countries, the development of transit transport corridors, the improvement of major transit transport infrastructure, the development of a regulatory framework, the establishment of international legal regimes, greater participation of the private sector, reforms to make providers of transport services more responsive to user demands, enhanced transparency of transit and border regulations, streamlined administrative procedures, simplified controls and procedures, promotion of the use of information and communications technology and strengthened training programmes in the sector. Furthermore, such policies must take into account environmental and social aspects and promote sustainable development. The participants noted that it was crucial for ESCAP, ECE and the Office of the High Representative to support the landlocked developing countries in sharing transit policies that have proved to be effective.

30. The participants recognized the importance of the ESCAP regional strategic framework for the facilitation of international road transport, adopted by the Ministerial Conference on Transport at its second session, in March 2012, as a guidepost in the formulation of national transit transport policy. Where appropriate, the six common targets and seven modalities contained in the framework can be incorporated into the national transit transport policy.

Facilitating transit transport

Improving transport efficiency

31. It was observed that high transport costs are an important impediment to trade and economic cooperation among the European and Asian landlocked developing countries. The landlocked developing countries, transit countries and their

development partners should pay special attention to addressing the non-physical barriers that contribute to high transport costs (freight rates), some of which are constrained transport operations, inordinate delays, irregular time schedules, weak logistics industry performance, complicated trans-shipment procedures, excessive documentation and procedures for international transport, particularly at borders, limited competition, low productivity in the trucking industry, corruption and insufficient security.

Harmonizing legal regimes

32. The Almaty Programme of Action maintains that international conventions relating to the facilitation of transport and transit, as well as regional and bilateral agreements, ratified by landlocked and transit developing countries are the main vehicles by which harmonization, simplification and standardization of rules and documentation can be achieved. In this context, participants observed that subregional agreements could play a useful role if they were aligned with the international conventions. They could also serve as important stepping stones to the international harmonization of standards and norms.

33. The participants encouraged accession to and more effective implementation of United Nations and other relevant international conventions, agreements and other international legal instruments related to transport and transit facilitation, with special attention paid to the International Convention on the Harmonization of Frontier Control of Goods of 1982. In that regard, ESCAP and ECE were requested to provide technical support. ESCAP and ECE were further requested to intensify capacity-building assistance to the countries, including training, and to raise awareness and understanding of the process and the implications of accession to international conventions relating to the facilitation of transport and transit.

34. ESCAP was requested, in cooperation with subregional organizations, to intensify technical support for facilitating international land transport by assisting in the effective implementation of subregional facilitation agreements among member States, many of which are landlocked.

35. The participants recognized the role of the ESCAP regional network of legal and technical experts for transport facilitation as a platform on which to build the national capacity of the landlocked developing countries and transit countries to accede to and implement international conventions and to formulate and implement subregional and bilateral agreements on transport.

Improving transport infrastructure and bridging infrastructure gaps

36. Participants noted that, despite the substantial progress achieved in transport infrastructure development and maintenance in the region over the review period, further and more concerted efforts were needed to remove the constraints on the overall socioeconomic development of European and Asian landlocked developing countries, which stemmed mainly from the lack of access to the sea, remoteness and isolation from the world markets and high transit costs. In addition, the recently completed second phase of the Euro-Asian transport links project identified not only priority infrastructure projects but also essential missing links that needed to be built in order to improve connectivity and enhance the efficiency of transport services between Europe and Asia. In this respect, the participants took note of the

importance of a joint declaration on the promotion of Euro-Asian rail transport and activities towards unified railway law, signed in Geneva on 26 February 2013.

37. It was acknowledged that, for improving transport infrastructure, bridging infrastructure gaps and ensuring coherent infrastructure development and planning, the landlocked developing countries needed to engage actively in such regional cooperation initiatives as the United Nations Special Programme for the Economies of Central Asia and such institutional frameworks as the two existing intergovernmental agreements on transport infrastructure (i.e. the Asian Highway and the Trans-Asian Railway) and to support the adoption of the intergovernmental agreement on dry ports. More specifically, Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan and Turkmenistan were requested to take measures to ratify, accept or approve of or accede to the Intergovernmental Agreement on the Trans-Asian Railway Network, and Turkmenistan was urged to do so with regard to the Asian Highway Network. The Asian landlocked developing countries were urged to take the actions necessary to sign the intergovernmental agreement on dry ports, which had been expected to be adopted by ESCAP at its sixty-ninth session and opened for signature at the second session of the Forum of Asian Ministers of Transport. The landlocked developing countries needed to establish adequate strategic support from their subregional partners for infrastructure development under such regional transport networks.

38. The participants urged the development partners to work together to realize an international integrated intermodal transport and logistics system in Asia, with a focus on the development and upgrading of the Asian Highway and Trans-Asian Railway Networks and dry ports.

39. Most of the landlocked developing countries were ranked low in international comparison in terms of the quality of infrastructure. It was observed that improving the quality of infrastructure was vitally important for safe and efficient transport. The level of infrastructure was also not homogeneous among the European and Asian landlocked developing countries. In the case of roads, substantial differences existed in terms of the latest improvements and intrinsic development. For instance, Afghanistan, the Lao People's Democratic Republic and Mongolia had a small percentage of paved roads (below 30 per cent) compared with the Central Asian countries (above 80 per cent). A critical area was to tap opportunities for improving infrastructure at the regional and subregional levels.

40. It was noted that some of the most immediate benefits of improved infrastructure would be better cross-national integration between border areas, which are often among the more remote and poor regions of the countries in question. In order to derive greater benefit, physical links between countries needed to be accompanied by the harmonization of standards, such as railway signalling systems.

41. It was recognized, however, that bridging the infrastructure gap for the landlocked developing countries was a complex and challenging task. Along with strong political and regional commitment, it was necessary to utilize all opportunities in a comprehensive manner for future infrastructure development in the landlocked developing countries. In this respect, efforts should continue to be made to build internal capacity for efficient planning, implementation and operationalization of transport infrastructure projects. The landlocked developing countries should also back commercial initiatives promoting the use of inland

transport services for international trade, in particular rail transport, as a competitive alternative to maritime transport and support activities targeting the emergence of quality-driven logistics services. In that context, the participants emphasized the importance of mobilizing financial resources for infrastructure development and urged the international financial institutions, donors and potential sources of finance to come forward in meeting those needs.

42. The Intergovernmental Agreement on the Asian Highway Network, which entered into force in 2005 and covers over 143,000 km of road in 32 countries, has been signed or acceded to by 29 countries, including 11 landlocked developing countries. With strong commitment from participating countries, nearly 30 per cent of the Asian Highway roads in those countries (corresponding to more than 10,000 km) have been improved since 2004. The portion of Asian Highway routes below the minimum standard (class III) has decreased from 32 per cent to 18 per cent. Still, there are 6,796 km of Asian Highway routes that need to be upgraded to meet the minimum standard. Although there are no missing links in terms of the absence of roads, the poor quality of the roads acts as a deterrent to international transport because of increased vehicle operating costs. The issue should be addressed urgently.

43. Apart from road networks, efficient rail links have a central role to play in improving the access of the landlocked developing countries to world markets. To facilitate planning for future expansion and the upgrading and operation of the railway network in the region, the Intergovernmental Agreement on the Trans-Asian Railway Network, which supports efficient regional connectivity, was adopted. The main challenge, however, is the existence of many missing links, which prevent the Network from functioning as a continuous system. ESCAP estimates that those constitute about 10,500 km of rail track, or 9 per cent of the Network, for which urgent action is required.

44. In 2003, ECE and ESCAP launched a project to promote the development of Euro-Asian transport links as competitive alternatives to maritime routes for trade between Asia and Europe. The project has been implemented in two phases. The total number of participating countries is 27 (including 9 of the 12 Asian landlocked developing countries). As part of the project, a geographic information system database has been created that is now available online, which is a basic tool for the development of efficient, safe and secure transport links. ECE and ESCAP should take the measures necessary to ensure more intensive use of the project's outputs for the integrated planning and development of inland transport linkages in the region.

45. The landlocked developing countries can make greater use of the Asian Highway and Trans-Asian Railway by improving transport facilitation measures and by investing in intermodal facilities, such as dry ports. Dry ports can build synergies by linking different modes of transport; they can also promote balanced spatial development by facilitating industrialization in the hinterlands. They are particularly relevant to the landlocked developing countries because they play an important role, similar to that of seaports, in facilitating the provision of efficient intermodal transport and logistics services. The development of intermodal facilities and dry ports should be given high-level commitment from regional organizations as well as countries.

46. ECE is pursuing a network approach to the development of international transport infrastructure by developing, updating and promoting its transport

infrastructure agreements. The objective of that approach, together with a similar initiative of ESCAP, is to ensure that no country in Europe or Asia is left unconnected to internationally important road and rail lines. Not all of the landlocked developing countries in ECE have become contracting parties to all infrastructure agreements, however, a matter that should be pursued by the relevant organizations in order to further integrate national transport systems into the ECE-wide transport networks and thus enhance the level of technical and operational interoperability.

47. As recognized in the Almaty Programme of Action, information and communications technology can play a crucial role in accelerating development. Despite recent progress in ICT penetration, Asian landlocked developing countries lag behind the rest of the region in terms of broadband Internet access, although this technology can play a crucial role in boosting the competitiveness of enterprises and in facilitating international trade. Owing to very rapid developments in the ICT sector, the landlocked developing countries have faced severe challenges in keeping up with the necessary infrastructure deployment and the concomitant evolution of policy frameworks. In addition, broadband costs, as a share of gross national income, are approximately 10 times higher in Asian landlocked developing countries than in the rest of the ESCAP region. As a result, the economic and social development benefits of broadband Internet remain elusive for the majority of those countries. This situation is further exacerbated for landlocked developing countries by the heavy reliance of the fixed broadband transmission infrastructure in the region on submarine fibre-optic cables for connectivity to the global Internet.

48. The participants called for further action to deploy a terrestrial information superhighway to boost access and affordability regarding fixed broadband Internet services. They noted with interest the multiple regional initiatives in that respect that would certainly contribute to better connectivity for a number of landlocked developing countries of the region, specifically the Trans-Eurasian Information Super Highway project between Central Asia and Europe, the Greater Mekong Subregion Information Superhighway Network and the South Asia Subregional Economic Cooperation information highway initiative. They also supported the efforts of the ESCAP secretariat and the International Telecommunication Union to jointly map out existing transmission networks with a view to identifying bottlenecks and missing links in the electronic connectivity infrastructure.

49. Observing that between 70 and 90 per cent of the costs of developing a terrestrial fibre-optic network are related to the excavation and installation of ducts and conduits through which cables are pulled, the participants noted the great potential offered by the convergence of ICT connectivity infrastructure with transport and energy infrastructure networks. One option identified was to lay terrestrial cables at the time of the development and maintenance of the Asian Highway or Trans-Asian Railway.

50. The participants took note of the recommendations made at the side event organized by the International Road Transport Union.

Facilitating the border-crossing process

51. It was noted that, during transit, the most notorious delays occurred at the main interface or trans-shipment points, namely those between maritime and inland transport, between adjoining railway networks and on both sides of national borders.

Inadequate rail and/or road off-take capacity at major trans-shipment points causes major delays. The slow interchange of rolling stock between railway networks not only holds up goods in transit but also results in poor utilization of railway assets, thus reducing their revenues.

52. Border-crossing procedures place particularly severe constraints on transit by road. Border-crossing delays result largely from inadequate physical infrastructure facilities and the lack of coordination among various officials working on a given side of the border and between them and their counterparts across the border. In addition, complicated formalities and procedures are major obstacles to efficient transit transport. Countries need to give adequate attention to those issues, with support from regional and subregional partners.

53. The participants noted that a number of transit and transport facilitation tools, such as the ESCAP time/cost-distance methodology, the secure cross-border transport model, the efficient cross-border transport model and the integrated border-crossing management model, as well as the Customs Convention on the International Transport of Goods under Cover of TIR Carnets, have been developed to assist in identifying and addressing non-physical barriers to cross-border and transit transport. The *Handbook of Best Practices at Border Crossings — A Trade and Transport Facilitation Perspective*, issued by the Organization for Security and Cooperation in Europe and ECE, offers a unique opportunity for countries both in and beyond the ESCAP/ECE regions to develop border and customs policies that increase security and more efficiently facilitate international trade and transport. The facilitation tools can be used by the landlocked developing countries and their transit country partners to enhance transit security and efficiency. The landlocked developing countries and their development partners could enhance their efforts for the further application of transit and transport facilitation tools. The participants urged ESCAP and ECE to continue to encourage those processes and urged institutions to strengthen the application of information and communications technology.

54. For the landlocked developing countries in Central Asia, the United Nations Special Programme for the Economies of Central Asia project working group on transport and border-crossing has been providing valuable support for the development and facilitation of transport infrastructure since its launch in 1998. ESCAP and ECE should further strengthen this process so that the working group can emerge as an effective platform for cooperation among countries. That cooperation mechanism needs further strengthening to create the necessary institutional platform for the coordinated and rational planning of regional infrastructure and facilitation measures.

55. The participants suggested enhancing efforts to improve infrastructure and inter-agency coordination and cooperation at border crossings and to implement integrated border-crossing management, single-stop inspection and single-window clearance, non-intrusive inspection technologies and the application of risk management techniques.

56. It was noted that the region had developed some transit facilitation initiatives that had worked, such as the one-stop border post, dry ports and the use of TIR and its information technology applications for customs clearance. The participants underscored that the landlocked developing countries and transit countries in the region, with support from their development partners, should consider scaling up or

replicating such initiatives. In addition, they requested ECE, ESCAP and the Office of the High Representative to support the development of effective inter-country mechanisms for widely sharing best practices related to experiences with policies, strategy data and other resources for improving transit policies.

Developing productive capacity and diversifying the export base

57. It was noted that many of the landlocked developing countries in the region were commodity dependent, with a significant number relying primarily on minerals, oil and agricultural products, which often had low value added, for export. This has made those countries highly vulnerable to external trade shocks because of the volatility of commodity prices. The participants called for concerted measures and actions to support the efforts of the landlocked developing countries to reduce dependence on commodities, including through the diversification of their export base, and enhanced processing of commodities to add value. Participants called for development partners to enhance their efforts to support the landlocked developing countries in diversifying their exports, through, among other things, the transfer of relevant technologies on mutually agreed terms, support for the development and strengthening of their productive capacities and capacity-building in the development of relevant policies.

58. The participants stressed that to mitigate the adverse development impact of being landlocked, comprehensive, coherent and coordinated policies were needed at all levels in the areas of investment, infrastructure (production, transport, ICT and energy), logistics (transport and trade facilitation) and technology to support the efforts of the landlocked developing countries to develop local productive capacities and to diversify products and markets in order to enhance competitiveness and profitability, while simultaneously reducing their vulnerability to external shocks. In this regard, the participants called for support from the international community.

Harnessing remittances

59. It was observed that remittances had become an increasingly important resource for development for some of the landlocked developing countries. Those resources were contributing to poverty alleviation, employment generation and skill formation. In many instances, returning migrant workers were investing in new enterprises and thereby contributing to the development of productive capacity, including in the services sector. The participants recognized that the Governments of sending countries could adopt a more systemic approach to improving the skills of migrant workers, reducing the transaction costs faced by migrants and strengthening linkages with their communities abroad in order to attract their skills and investment at home. It was also stated that the receiving countries could do more to provide a safe working environment for migrant workers and to facilitate the efficient transfer of remittances.

Promoting tourism

60. Observing that international tourism was becoming an increasingly significant part of global trade, the participants called for increased investment in that sector. For the landlocked developing countries, tourism could generate strong foreign exchange inflows and positive intersectoral linkages, which could promote growth in other sectors and have a stronger positive and multiplicative spillover effect than

in most economic sectors. From the perspective of the landlocked developing countries, strategic interventions might be needed to promote more balanced gender and social equity outcomes in relation to tourism, and more care would have to be taken to ensure environmental sustainability. The promotion of sustainable tourism was emphasized, in particular ecotourism and mountain tourism, for employment generation and poverty alleviation in the landlocked developing countries.

Promoting trade capacity and enhancing trade facilitation

61. It was observed that trade costs in the landlocked developing countries were still extremely high, typically four to seven times higher than in most other middle-income developing countries in Asia.

62. The participants recommended that the landlocked developing countries take the following measures to further facilitate trade:

(a) As accession to WTO is likely to yield non-discriminatory market access and other benefits of a multilateral framework for trade, the landlocked developing countries seeking accession should be supported by their trade partners, and the terms of accession should not be onerous, they should be provided with technical assistance and capacity-building support by the international community in their accession efforts and in the implementation of commitments;

(b) They should be actively involved in implementing ESCAP resolution 68/3 on enabling paperless trade, together with other trade facilitation measures, to further reduce trade transactions costs and enhance the efficiency of supply chains originating from or destined for landlocked developing countries;

(c) They should fully utilize the trade facilitation tools developed by international organizations to build the capacity of relevant stakeholders; in this respect, they are encouraged to take advantage of the guides developed by the United Nations Network of Experts for Paperless Trade in Asia and the Pacific on, inter alia, business process analysis, document alignment, data harmonization and modelling and single-window implementation;

(d) They should ensure that trade facilitation measures are consistent with existing international and regional agreements, mechanisms and undertakings and build on existing international standards and conventions, such as those issued by the United Nations Centre for Trade Facilitation and Electronic Business or supported by the United Nations Commission on International Trade Law or the World Customs Organization;

(e) They should develop mechanisms to more accurately monitor their progress in facilitating trade and more effectively prioritize the implementation of trade facilitation measures.

Addressing non-tariff barriers

63. The participants urged European and Asian landlocked developing countries to work together on trade-related reforms on the basis of an analysis of non-tariff barriers, including other trade barriers and trade-related measures. They expressed concern that activities at the global level directed at non-tariff barriers would increasingly affect, both directly and indirectly, the export capacity and competitiveness of the landlocked developing countries as well as their market

access and entry in global trade. They urged ESCAP and ECE, in cooperation with the United Nations Conference on Trade and Development and other relevant international and regional organizations, to provide the landlocked developing countries with technical, research and other assistance in the WTO accession process and to design trade-related reforms for promoting trade and investment integration processes to enhance global and regional cooperation.

Financing and public-private partnerships

64. It was noted that financing was an obvious challenge given the considerable amount of resources that would be required to expand and maintain the transport infrastructure of the landlocked developing countries. In order to meet that challenge, the participants emphasized that developing innovative financing solutions might be necessary to complement public investments in that area. One innovative financing solution might be to further develop public-private partnership opportunities in the landlocked developing countries by increasing their readiness for such schemes and by developing a conducive environment in terms of policy formulation, regulatory reform and administrative arrangements. Donors and international financial institutions might also consider establishing national or subregional innovative financing mechanisms that could assist the landlocked developing countries in closing the funding gaps in hard and soft transport infrastructure and attract more financing for the necessary investments, for instance by further developing public-private partnership opportunities through the use of donor grants to leverage loans from international financial institutions.

65. The participants urged countries to streamline the mechanisms for maintaining existing facilities. To ensure adequate funding for road maintenance, countries might establish dedicated road funds with revenue collected from such sources as levies on consumables, mainly, fuel, tolls, annual vehicle licence fees, supplementary fees for heavy vehicles and fines for overloading. Several landlocked developing countries have established road funds as effective means of mobilizing finances for road maintenance. Others, including the Lao People's Democratic Republic and Nepal, are encouraged to follow those established best practices. Overall, adopting the best regional practices for infrastructure development and maintenance is critical in order to maintain the value of the existing assets and to reduce future financing needs. At the regional level, it is necessary to foster synergies among countries, international financial institutions and other stakeholders, including the private sector, in order to explore financing opportunities in priority infrastructure projects along the Asian Highway and Trans-Asian Railway routes and to promote the development of public-private partnerships in the landlocked developing countries. Efforts are also needed to identify investment priorities and prospects and different approaches to financing projects and to exchange experiences related to financing, development and the operation of major highways. The meeting noted that South-South cooperation could be used to develop infrastructure.

Deepening regional cooperation and integration

66. Further to multilateral efforts, the participants emphasized the need to take measures to deepen regional cooperation and integration, including through free trade agreements. They noted that one of the critical elements in overcoming the marginalization of Asian landlocked developing countries was the promotion of

their active participation in regional agreements and frameworks and their being accorded due special and differential treatment for the maximization of development gains.

67. It was emphasized that, while strengthening trade-investment linkages was crucial for enhancing regional cooperation and integration, such linkages also led to the improvement of the export supply capabilities of individual countries through the establishment of trade-creating joint ventures, which, in turn, led to both higher growth and greater employment creation. Similarly, free trade agreements might spur investment flows in terms of efficiency-seeking regional restructuring. Moreover, if the policy priorities focus on developing production networks through vertical integration and horizontal specialization, enabled by cross-country investment flows for strengthening trade-investment linkages, there could be significant gains in terms of higher intraregional trade and investment flows. There was a need to design development-friendly and trade-augmenting rules of origin by promoting the regional accumulation approach.

Expanding regional and subregional initiatives

68. The participants agreed on the need for the landlocked developing countries to embark on a new development paradigm with the strategic goal of becoming more regionally integrated (including urban/rural connectivity) to generate rapid growth that is inclusive and sustainable. This requires concerted action aimed at formulating a broader framework for economic integration at the regional level, ensuring equitable economic and social benefits for the landlocked developing countries, developing regional transportation, energy and communication networks and improving trade and transport facilitation, as well as strengthening ICT connectivity.

69. Two important aspects of the five priority areas of the Almaty Programme of Action were emphasized: (a) stimulative actions that would contribute to raising investment in priority areas, especially in relation to developing and maintaining an efficient transit transport system infrastructure in landlocked and transit developing countries, which, in turn, was needed to accelerate growth and change the pattern towards providing more benefits to poor and disadvantaged regions; (b) enhancing the capacity to utilize available trade concessions, which was limited by infrastructure and other capacity constraints.

70. It was also agreed that the existing regional cooperation frameworks would be widened and strengthened so that countries would be able to face the challenges collectively. In this context, the participants noted that it would be crucial to increase development cooperation both within and across the ESCAP and ECE regions with a view to developing regional markets and domestic productive capacities. The areas covered could include such priorities as developing new markets, technology transfer, attracting foreign direct investment and transit transport development. Over the years, ESCAP and ECE have provided useful platforms that have contributed to closer and more effective cooperation and collaboration among European and Asian landlocked developing countries. Now is a good time for the landlocked developing countries to use those platforms more effectively in order to enhance their integration into the global production, transport and trade system, with the goal of accelerating development, improving welfare and reducing risks and vulnerabilities.

International support

71. The international community was called upon to facilitate the accession of the landlocked developing countries to WTO, as only four had completed the accession process since the adoption of the Almaty Programme of Action. Participants called upon those which had not yet become members of WTO to engage more intensively with their trading partners in order to complete the accession process, and urged that all export products originating from landlocked developing countries be given duty-free and quota-free market access in the developed countries that are members of WTO.

72. The participants were of the opinion that, in view of the severe structural disadvantages of the landlocked developing countries, external resources, such as official development assistance (ODA), would play a key role in supporting economic development and social progress. Those countries needed external resources to build their economic and social infrastructure and especially for investing in basic services, such as water, sanitation, energy, transport, shelter, health and education. Such resources could complement the national efforts of the landlocked developing countries aimed at expanding and diversifying their productive capacities, promoting FDI and trade, adapting technological innovations, fostering gender equality, ensuring food security and reducing income poverty.

73. In this regard, it was suggested that the landlocked developing countries needed to improve their institutions and governance structures in order to make ODA more effective in supporting their efforts to address their special needs. Donors were requested to increase the level of financial resources and technical assistance provided to the landlocked developing countries.

74. The participants underscored the importance of the provision of "Aid for Trade" to landlocked developing countries for capacity-building for the formulation of trade policies, participation in trade negotiations and the implementation of trade facilitation measures, the development of trade-related infrastructure, and the diversification of export products and the strengthening of productive capacities with a view to increasing the competitiveness of the products of the landlocked developing countries in export markets. In this regard, the participants encouraged development partners to continue and increase their support to the Aid for Trade initiative, giving adequate consideration to the special needs and requirements of the landlocked developing countries.

75. The significant role of FDI in boosting the trade potential and economic growth of the landlocked developing countries was emphasized, and the supportive role of FDI in providing infrastructure for transport, telecommunications and utilities was highlighted. The participants were of the view that it was necessary to promote and sustain a business environment conducive to FDI in accordance with national legislation and developmental needs.

76. The participants acknowledged the supportive role of the United Nations system, as well as regional, subregional and other international organizations, in providing technical, financial and capacity-building support to the landlocked developing countries to enhance their participation in international trade and help them to achieve the internationally agreed development goals, including the Millennium Development Goals. The organizations of the United Nations system, including the regional commissions, other international organizations and regional

development banks were invited to strengthen, within the context of their respective mandates, the efforts of the landlocked developing countries to overcome structural impediments and benefit from the international trading and investment system.

77. The participants noted the crucial role of the Office of the High Representative in raising awareness and advocating that the concerns of the landlocked developing countries be placed high on the global development cooperation agenda and in mobilizing international support and resources in favour of those countries to help them to overcome their vulnerabilities, build resilience and set themselves on a path of economically, socially and environmentally sustained and sustainable development. They called upon the Office of the High Representative to continue to assist the landlocked developing countries through increased advocacy and mobilization of international and United Nations system-wide support.

78. The participants urged European and Asian landlocked developing countries to ratify or accede to the 2010 Multilateral Agreement for the Establishment of an International Think Tank for landlocked developing countries at their earliest convenience in order to bring the think tank, which was established in Ulaanbaatar in 2009, into full operation. The landlocked developing countries noted with satisfaction the establishment of the interim secretariat of the think tank as an important step towards its full operationalization. Recognizing its potential role in providing technical and capacity-building support to member countries, the participants deemed it desirable that the think tank collaborate with existing networks and the initiatives of the regional commissions.

Post-2015 development agenda

79. The participants were of the view that the Millennium Development Goals constituted a powerful tool for consolidating national, regional and global efforts around clear, concise and measurable development objectives for individual countries as well as the global community. In European and Asian landlocked developing countries, not only has progress towards the Goals been considerably varied across different goals and indicators, but their achievement has been unequally distributed across regions, subregions, countries and different population groups in a nation. The participants expressed their strong desire to build on the Goals, with an explicit focus on inequalities and disparities, in the post-2015 development agenda. It was also agreed that several critical gaps, including a policy gap, a strategy gap, a growth gap, a resource gap and an implementation gap, needed to be explicitly addressed in the post-2015 agenda if the stipulated goals were to be achieved. The landlocked developing countries needed to target climate change mitigation and the reduction of environmental vulnerability as development challenges.

80. The participants emphasized that working towards well-being and happiness through economic growth was vital for realizing any post-2015 development goals, but that growth must be inclusive and sustainable and must address inequalities and disparities. They recognized that growth in the European and Asian landlocked developing countries had sometimes been accompanied by environmental degradation, and hence there was a need to promote green economic policies. Several other areas also needed renewed emphasis, including combating poverty and hunger, gender equality and empowerment of women, health-related outcomes (including in relation to non-communicable diseases), educational goals, with more

emphasis on quality dimensions, decent and productive employment and demographic dynamics, including urbanization. Other areas that deserved priority attention included the building of productive capacities, social protection, water management, food and nutrition security, energy security, sustainable transport, preparation for and response to natural disasters and climate change, peace and security, human rights, institutional capacity-building at all levels, greater policy coherence and systemic change, a well-defined accountability framework, governance at all levels, including global development partnerships and cooperation, and more equitable sharing of responsibilities between national Governments and the international community. The importance of South-South cooperation and triangular cooperation was also highlighted. Recognizing that development cooperation had acquired a multidimensional character, the participants highlighted the increased role of different stakeholders, such as civil society organizations, the private sector, philanthropic organizations, the media and centres of excellence, in realizing the post-2015 development agenda.